

14 FAH-1 H-200 REQUIREMENTS PLANNING AND USE

14 FAH-1 H-210 PROPERTY UTILIZATION

*(CT:PPM-1; 08-11-2004)
(Office of Origin: A/LM)*

14 FAH-1 H-211 PROPERTY ANALYSIS AND MANAGEMENT

*(CT:PPM-1; 08-11-2004)
(Uniform State/USAID)*

In the submission of budget estimates, the responsible property official will need to include requirements for the replacement of nonexpendable property. The condition of the property is a basis for forecasting and justifying those requirements. Most nonexpendable property has a definite useful life span. An item may become worn beyond repair or become otherwise unusable or, after a period of time, maintenance and repair costs may exceed the cost of replacing the item.

14 FAH-1 H-212 PROGRAM OBJECTIVES

*(CT:PPM-1; 08-11-2004)
(Uniform State/USAID)*

The objectives of a property replacement program are to provide for the orderly replacement of property by prescribing minimum replacement standards, and projecting equipment requirements in terms of items and costs for planning purposes. The term “minimum replacement standards” means an estimated life cycle, degree of use, established ratio of repair cost to replacement cost, or other factors such as the availability of local repair capability that can be used as a reasonable basis for determining whether equipment ought to be replaced.

14 FAH-1 H-213 CRITERIA

(CT:PPM-1; 08-11-2004)
(Uniform State/USAID)

a. **Local conditions:** Although the replacement cycle table in 14 FAH-1 Exhibit H-213 shows an average life cycle for various property categories, each post abroad should be able to establish criteria relative to the life expectancy of most items of property. It is recommended that each post develop its own life cycle table for use in replacement planning by modifying the exhibit to reflect local conditions. In establishing the criteria, the degree of use of the item, climatic conditions, fluctuation of electrical power (if applicable), availability and quality of maintenance and repair facilities, and other local conditions, which may influence the life expectancy, should be considered.

b. **Replacement standards:** See 6 FAM 222.3 for replacement standards for some items.

14 FAH-1 H-214 REPLACING PROPERTY RECORDED ON THE NONEXPENDABLE PROPERTY APPLICATION (NEPA)

(CT:PPM-1; 08-11-2004)
(State Only)

All Department activities which are using the nonexpendable property application (NEPA) can refer to the "Items Due for Replacement Report" when determining which items may need to be replaced within a given year. This report lists all property items, which have a replacement year within the range of replacement years, specified for the report. The report also allows the user to select items by designated condition code. That is, the user can select, for review, whichever fiscal years he or she chooses. The report also includes the invoice cost of those items (see the NEPA User Manual).

14 FAH-1 H-215 REPLACING PROPERTY NOT RECORDED ON THE NONEXPENDABLE PROPERTY APPLICATION (NEPA) AND USAID'S AUTOMATED PROPERTY SYSTEM

14 FAH-1 H-215.1 Replacement Schedule

(CT:PPM-1; 08-11-2004)
(Uniform State/USAID)

For nonaccountable property not listed on any property records (see 6 FAM 224.1-1 for accountability criteria), a replacement schedule should be used. A replacement schedule is a listing, by fiscal year, of nonexpendable property items due for replacement.

14 FAH-1 H-215.2 Developing Replacement Schedule Data

14 FAH-1 H-215.2-1 Nonserialized Items

(CT:PPM-1; 08-11-2004)
(Uniform State/USAID)

Ideally, property should be scheduled for replacement based on the condition, age, etc., of each individual item, and also should be scheduled for replacement automatically, as is done in the nonexpendable property application (NEPA) and USAID's automated property system. For property not recorded on NEPA or USAID's automated property system, however, replacement schedules should be developed. To accomplish this, nonserialized property should be listed on the schedule in groups by type of item.

14 FAH-1 H-215.2-2 Serialized Items

(CT:PPM-1; 08-11-2004)
(Uniform State/USAID)

a. As stated in 14 FAH-1 H-215.2-1, property should be scheduled for replacement based on the condition, age, etc., of each individual item. Since serialized property can be identified individually, planned replacement should be based on the condition of each individual item.

b. The first step will be to establish an estimated replacement year for each serialized item. In order to do this, identify the current age of the item. This can be determined from the item's acquisition date, which should be on the property records. If the acquisition date is not on the property records, appraise the item during the next physical inventory and evaluate its life expectancy.

c. Once the current age, or an estimated current age, has been acquired, estimate the life cycle of the item, using the estimated life expectancy criteria, or using the life cycle table (see 14 FAH-1 Exhibit H-213). However, the table indicates an average life span only. The schedule will be more accurate if a life cycle table is developed based on local conditions (at posts only). Enter the projected replacement year on the nonexpendable property application (NEPA) or accountable property system used. When all of the replacement years have been entered on these records, they can be used to prepare the schedule.

d. Depending on how narrow or broad the categories on the property records are, an alternative to the estimation methods might be to review the records to determine how many different types of items have been disposed of during the past three or four years, and establish a percentage of the total "by type" on hand to be replaced each year. The danger here is that the types of items grouped on the card may be too dissimilar to be of any value in establishing replacement quantities by "item type" (e.g., office executive swivel chair being one type and office standard swivel chair being another). Care should be taken that items recorded on the card are, indeed, similar. For example, office executive swivel chairs should not be combined with office standard swivel chairs under the general heading of "office swivel chairs," nor should office standard side chairs be combined with office standard swivel chairs under the general heading of office standard chairs.

14 FAH-1 H-215.3 Replacement Schedule Preparation

(CT:PPM-1; 08-11-2004)
(Uniform State/USAID)

When preparing a replacement schedule, list the property items that will need to be replaced in the coming years so that they can be readily identified. The data and format do not matter, as long as the schedule serves management and budget needs. It is recommended that separate schedules be prepared for office items and household items, and for serialized items and nonserialized items.

14 FAH-1 H-215.3-1 Nonserialized Items

(CT:PPM-1; 08-11-2004)
(Uniform State/USAID)

Using the information obtained from the review of the property records, prepare a listing "by type" (e.g., bed frame, and specify either single or double) of nonserialized items to be replaced, listed by fiscal year. Each type of item is listed in alphabetical order. (See 14 FAH-1 Exhibit H-215.3-1.)

14 FAH-1 H-215.3-2 Serialized Items

(CT:PPM-1; 08-11-2004)
(State Only)

Review the property records once the replacement years have been entered on the records, and prepare a listing of serialized items (nonaccountable) to be replaced, listed by fiscal year (for State, see 14 FAH-1 Exhibit H-215.3-2). The replacement cycle in this exhibit is based on the average life-cycle table in 14 FAH-1 Exhibit H-213. The property is

grouped by type of item and numerically listed by serial number. Listing the items individually and numerically will help the responsible official in reviewing the maintenance records, if kept, prior to replacement. If the item location is included on the list, it also is easier to identify the item if it becomes necessary to physically locate it. For example, it might be necessary later to re-appraise property and identify items which require priority replacement over others that can be delayed, in the event that not all of the funds requested in the budget are received. Unlike the nonserialized property, the condition of each individual item can be determined on serialized property. Add the acquisition year to such a list and it can be a useful management tool. New property should be added to the list as it is received.

14 FAH-1 H-216 VERIFYING PROPERTY TO BE REPLACED

14 FAH-1 H-216.1 Reappraisal of Property Condition

(CT:PPM-1; 08-11-2004)
(Uniform State/USAID)

Property should not be automatically replaced at the end of its life cycle. Before taking any replacement action, items should be re-appraised to determine whether their condition warrants replacement and, if so, whether repair or refurbishing the items could be a less costly alternative.

14 FAH-1 H-216.2 Identifying Excessive Repair Costs on the Nonexpendable Property Application (NEPA)

(CT:PPM-1; 08-11-2004)
(State Only)

Before taking any replacement action, the nonexpendable property application (NEPA) Maintenance Detail Report should be reviewed to identify any items on which excessive repair expenditures have been made, and a determination is made whether to keep the items or replace them even though the estimated replacement year has not yet been reached. The report also provides internal and external labor and parts costs for the work (see the NEPA User Manual).

14 FAH-1 H-217 ADJUSTMENTS

(CT:PPM-1; 08-11-2004)
(Uniform State/USAID)

a. The replacement years listed are estimated replacement years. In some cases, because of accelerated wear, damage, etc., some items will probably have to be replaced ahead of schedule while others, which may continue to be in good condition, will be delayed.

b. If your schedule has been developed on a zero growth forecast for the post, adjustments will be necessary if changes in personnel, space, etc., occur.

14 FAH-1 H-218 EXCEPTIONS TO SCHEDULED REPLACEMENT

(CT:PPM-1; 08-11-2004)
(Uniform State/USAID)

If still required, any item of property which is in usable and workable condition is kept even though the prescribed standards permit replacement, provided that the property can be used or operated for an additional period without excessive repair or maintenance costs, or substantially reducing the sale or trade-in value of the item. The importance of preserving sale value depends on the percentage of the total acquisition cost expected to be recouped in the sale.

14 FAH-1 H-219 FILES

(CT:PPM-1; 08-11-2004)
(Uniform State/USAID)

All work papers and plans concerning the nonexpendable replacement program may be disposed of after three years.

14 FAH-1 Exhibit H-213 REPLACEMENT CYCLES FOR PERSONAL PROPERTY AT POSTS ABROAD

*(CT:PPM-1; 08-11-2004)
(Uniform State/USAID)*

ITEM	AVERAGE LIFE SPAN
Household Air Conditioners/Coolers	3 years
Household Appliances	4 years
Household Furnishings	4 years
Household Furniture	6 years
Household Generators	10 years
Other Household Items	5 years
IT Equipment	3 years
Office Air Conditioners/Coolers	3 years
Office Equipment/Machines	8 years
Office Furniture/Furnishings	10 years
Office Generators	10 years
Other Office Items	5 years
Warehouse Equipment (Forklifts)	6 years
Warehouse Storage Racking	20 years

NOTE: The average life cycle of any kind of personal property must be adapted to local conditions at posts abroad.

14 FAH-1 Exhibit H-215.3-1 REPLACEMENT SCHEDULE FOR HOUSEHOLD NONSERIALIZED PROPERTY

(CT:PPM-1; 08-11-2004)

[STATE ONLY]

Item Description	Replace FY-99	Replace FY-00	Replace FY-01
Bed Frame, Household, Single	2	2	4
Bed Frame, Household, Double	1	0	0
Cabinet, China	5	6	6
Cart, Serving, Household	0	1	0

[USAID ONLY]

Object Class 311; Date Revised: October 29, 1986

Control Number	FSI	Item Description	FY-87	FY-88	FY-89	FY-90	FY-91
3010	71	Bed Frame, Household, Single, with/without Headboard	4	4	6	6	5
3020	71	Bed Frame, Household, Double, with/without Headboard	2	0	0	5	2
3030	71	Bed Frame, Household, Queen, with/without Headboard	2	2	4	2	2
3060	72	Bedspring, Household, Single	3	1	7	2	12
3070	72	Bedspring, Household, Double	1	1	3	2	0
3080	72	Bedspring, Household, Queen	4	2	2	1	3
3130	71	Bookcase, Household, Wood	15	14	9	15	12
3140	71	Buffet/Credenza/Wood	9	13	15	12	10
3150	71	Cabinet, China	15	17	12	12	8
3160	71	Cabinet, Household, Storage (except Wardrobes)	8	10	7	6	6
3210	71	Chair, Occasional, Household	30	35	33	29	34
3240	71	Chair, Desk, Household	10	7	9	6	8
3250	71	Chair, Dining	25	14	18	13	12
3270	71	Chest of Drawers	16	9	5	18	13
3320	71	Desk, Writing, Household	7	10	10	7	6
3530	72	Mattress, Household, Single	3	1	7	2	12
3540	72	Mattress, Household, Double	1	2	1	3	2
3550	72	Mattress, Household, Queen	4	2	1	2	3
3740	71	Sofa, Wooden Frame	15	10	16	22	18
3780	71	Table, Card	0	9	9	1	8
3800	71	Table, Dining/Dinette	2	2	5	8	4
3810	71	Table, Dressing	3	5	2	2	3
3820	71	Table, End/Corner/Night, Wood	6	3	1	8	10
3840	71	Table, Household, Miscellaneous	10	5	9	7	8

3910	71	Wardrobe, Household	7	2	2	5	6
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14 FAH-1 Exhibit H-215.3-2 REPLACEMENT SCHEDULE FOR SERIALIZED PROPERTY

(CT:PPM-1; 08-11-2004)
(State Only)

[STATE ONLY]

Office Machines

Item	Fiscal Year Acquired	Fiscal Year Replace
Adding Machine, Electric		
S/N 7813641	93	01
S/N 8134205	95	03
S/N 3017584	98	06
S/N 2134673	93	01
S/N 2528712	98	06
Calculator, Electric, Desk Type		
S/N 6438128	99	07
S/N 7348163	95	03
S/N 5236174	94	02
S/N 2183471	95	03